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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/903,284	07/11/2001	Ellen Barbara	CITI0230	9290

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EXAMINER

FULTS, RICHARD C

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 01/13/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/903,284

Applicant(s)

BARBARA ET AL.

Examiner

Richard Fults

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 02 October 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-72 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-72 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____
- ☐ Interview Summary (PTO-413) Paper No(s). _____
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: _____

DETAILED ACTION

This Office Action is responsive to Applicant's amendment and request for reconsideration (Paper No. 8) of this application filed July 11, 2001. The amendment filed October 2, 2002 amended claims 19, 21, 22, and added claims 67-72. Accordingly claims 1-72 are presented for examination on their merits.

Response to Arguments

1. Applicant's amendments and new claims filed October 7, 2002 have been fully considered, but the Applicant's arguments are found not to be persuasive. The new claims required new references to be searched. Accordingly the prior rejection remain in effect and is now made final, with the exception of the 35 U.S.C. 112 rejections which were resolved by the amendments filed.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. **Claims 1-72** are rejected under 35 U.S.C. 103(a) as being unpatentable over Schutzer (US 6,292,789 B1) in view of Citibank.com, October 13, 1999, Internet, (hereinafter Citibank) and Nelson, Quicken '99 for Windows for Dummies, 1998

(hereinafter Nelson) and Schrader et al (US 5,903,881) (hereinafter Schrader) and X.com, March 2, 2000 and PayPal.com, March 3, 2000.

3. Applicant has generally claimed a prior known on-line payment system using what was by then a standard or optionally available combination of accounts and features. **Schutzer** discloses (see at least columns 1-30, but in particular cols 11-13) either explicitly or as being obvious all of the elements of claims 1-72 regarding on-line bill payments and purchases, international payments, transaction accounts, multiple service levels, off-line payments and purchases, cash withdrawals, credit card account payments, receiving enrollment information and account designation, and maintaining funds in accounts. Many of the above elements are inherent in the operation of an account that is the source account for his payment service. Schutzer does not disclose the complete details of enrollment, banking, international payments, and a transaction card. It would have been obvious to one skilled in the art at the time of the invention, as the Schutzer payment system utilizes the internet which is an international network for international financial transactions, for any internet online payment system to include various online options for methods of payment common for international transactions and include screen prompts for those options including the selection of currency and display of exchange rate and any special related fees because it was common and advantageous to do so.

Citibank discloses (see pages 1-5) all of the elements of claims 1-72 regarding on-line banking, personal banking, several levels of banking service including debit accounts and money market accounts (deposit account), savings accounts (save for later) and checking accounts (transaction accounts and deposit accounts) and account numbers, credit card accounts and credit lines (credit line), access and transaction cards (ATM cards used at an ATM), bill payment services, fund transfers and ABA numbers, international payments, and conducting and viewing banking activities over the internet. It is noted that the historical documentation for Citibank includes a very broad list of financial services, including payment services, then offered online and displayed via the internet.

Obvious and well known in all of the above is the fact that checking and saving accounts and credit cards and other bank services, including bill payment services and ATM cards for use in ATMs (access and transaction cards), have been aggressively offered by banks and can be selected as desired by the customer and can be used for virtually whatever use and intended payment/deposit the user cares to make, and to whomever they choose, either on-line or off-line, in whatever amount their balance or credit limit will allow, either to pay credit card balances or to use the credit line to make payments or deposits, whether it be in US or foreign currency, and once created there is no prohibition (unless contrary to an express agreement between the bank/service and the customer) against maintaining however much money in their accounts they choose.

It is also obvious in opening an on-line banking account(s), including with an institution that offers bill payment services or any other organization operating a payment service, that all of the "know your customer" rules apply to the information required to open the account and to enroll in the payment service, and that all needed transaction identification usernames and passwords will be agreed to at the time of account opening/payment system enrollment and conveyed to both, such that transaction validation may be accomplished and information regarding dispute resolution is exchanged. In such an enrollment process it would have also been obvious to receive the instructions and transmit the answers, and to have included the selection of a level of service, the source account(s) for the funds transfers, the users ID references (and email address) and to do so online through a customer's personal computer terminal using standard graphic interfaces and all other standard computer operating procedures, apparatus, software, and the internet.

It is also obvious and well known that all payments out of the customer accounts will only be done upon either current or prior instructions from the customer, that fund transfers will commonly require a back end validation to confirm that the user is the owner of the payment source account, that credit lines such as loans or overdraft features can be arranged upon request to flow into the checking account (transaction account), and that any credit card transactions will commonly involve providing

information regarding the card number, the expiration date, some type of identification identifier, and an a payment authorization from the card issuer.

Nelson discloses (see pages 26-27, 96-111, 130-136, and 259) all of the elements of claims 1-72 regarding on-line bill payments, separate accounting for cleared and uncleared checks (held money features), additional accounts including petty cash, savings, and liability (save for later feature), the inherency of fund transfers including ABA numbers, account numbers, and a person to person payment service (user sending and receiving funds out and into their transaction account).

Schrader discloses (see at least cols 1-22, but in particular cols 1-7) claims 14, 23-24, 32, 46-47, 56-57, and 66 regarding save for later and held money portions of the transaction account, as it is obvious in his uncleared checking account balance for it to become not only the held money portion of the transaction account but also the save for later portion, by writing a check not intended to be cashed (for the purpose of savings), all within the checking (transaction) account.

It would have been obvious to one skilled in the art at the time of the invention to have used an on-line banking checking account as the transaction and hub account for an on-line payment service, and to have used any one of the following as a save for later feature: 1) a savings account, 2) a check to cash recorded in the petty cash account, or 3) an unissued check notation in the transaction checkbook regarding a set-aside for a save for later amount that would not be cashed but would become a held money amount. It would have been equally obvious to use a checking account number as a method of making payment for a purchase, to use a debit card to make charges to a checking (transaction) account for purchases, payments, and fund transfers, for the user to provide instructions to the financial institution regarding any fund transfers involving either the transaction account or the credit line, and for there to be an identification/validation process upon request for any transaction involving those two sources of funds, as the above were all common practices at the time of the invention.

X.com discloses (see pages 1-10) claims 1-72 regarding the use of transaction cards through enrollment in the system (to make off-line purchases), the ability to transfer money between bank accounts, and the use of a checking account to fund the

Art Unit: 3628

X.com transaction account. It also discloses the then pending merger with PayPal which then created the world's largest secure network for instant online payments from anyone anywhere, business or individuals, and the fact that several companies were then providing customer convenient online money transfer systems. Claim 1 simply describes a standard checking account coupled to an online payment system, using the checking account as a funds source.

PayPal discloses (see pages 1-5) an enrollment in and operation of a real time online payment system using credit card accounts, bank accounts (including checking) and checks to fund their transaction account, and the option to use a check as payment instead of the normal electronic transfer of funds. It would have been obvious to one skilled in the art at the time of the invention to offer to pay a payee not enrolled in the payment system with a check as a customer convenience to the subscribers in the payment system. It is noted that payments made from a transaction account backed by a credit account would obviously have its transactions recorded as payments rather than cash advances (which is what PayPal did). It is also very obvious when sending a payment that the user designate the account/email address of the payee as a necessary step, and it is equally obvious that the payment system will transfer the funds as directed.

4. **Claims 1-72** are rejected under 103(a) as obvious over Schutzer in view of Citibank and Nelson and Schrader and X.com and PayPal.com. Because it would have been common and advantageous and provided a much more comprehensive and efficient system of conducting on-line payment and banking services with integrated accounts and services it would have been obvious to one skilled in the art at the time of the invention to add the teaching of Citibank, Nelson and Schrader and X.com and PayPal.com to those of Schutzer, and to add those of Schutzer to those of the others for the same reason.

5. Response to Applicant's Arguments

Applicant raised an issue regarding the reference date for Citibank.com. The reference (for this, PayPal and X.com) came from the archive.org also called the Wayback machine because it archives the web pages of site operators from 1996 to date in their original format and text/graphics (which would be an excellent source of future IDS submittals, and also provide much guidance as to what the actual prior art is for web based businesses). On the front page of the Citibank.com reference is the date October 13, 1999, which is the date of the reference. The copyright date of 2000 below is simply the year that the archive happened to copyright the historical information, and has nothing to do with the effective date of the reference, as one is hyperlinked to the historical data by clicking on the date desired within that listing. In this case the available dates range from 1998 to date.

The applicant several times on several issues states that the original rejection issued prior to the addition of new claims is based on references that do not teach the applicant's claimed invention, but does not state what exactly is not taught. As stated previously above, claim 1 only claims a standard checking account coupled to an online payment system: which is by definition the applicant's claimed invention. Many references teach that concept well before the date of this application. PayPal started business in 1999, and Checkfree started in 1981. In many ways this application reads like a group of press releases issued by the several providers of these various services years beforehand regarding either current operations or planned new features.

While the applicant argues that the rejection was not specific enough to form a response, it is noted that the applicant provided enough new concepts so as to require both new references and much editing of the prior action. The obviousness issues raised in this action are based on the great abundance of online payment services previously offered by a very large number of providers, including several that look very much like the basis for this application. So many of them that the term "common practice" which the applicant objects to seems highly appropriate. PayPal alone is almost the ideal example of this application

already in wide usage. The last paragraph in the applicant's argument in describing the applicants claimed invention very appropriately describes the PayPal system.

6. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

7. The prior art of record, although not cited above, is considered pertinent to one or more of the Applicant's claims:

Knight et al (US 5,383,113 A), which teaches the online payment system of Checkfree from 1991.

Checkfree.com, February 29, 2000, which teaches an online payment system as of that date.

X.com (WO 00/67177 A2), which teaches the state of the art for online payment systems as of April 28, 2000.

8. **Note** is taken by the examiner that should the applicant find objectionable any statements made herein by the examiner regarding inherency, implicitness, obviousness, or Official Notice, Applicant can make a proper challenge to those statements only by providing adequate information or argument so that on its face it

Art Unit: 3628

creates a reasonable doubt regarding the circumstances justifying those statements: a simple response requesting a reference without doing so, or a response that fails to logically refute the basic assumptions underlying the justification, will result in an improper and failed challenge and those unchallenged statements will remain the record of the case. Applicants must seasonably challenge those statements in the first response following an Office Action. If an applicant fails to do so, his right to challenge them is waived.

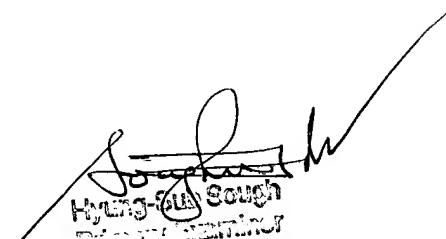
9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard Fults whose telephone number is 703-305-5416. The examiner can normally be reached on weekdays from 8:30 to 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough, can be reached on (703)-305-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-305-35979.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.


RCF

12/31/2002


Hyung-Soung
Patent Examiner